

# Newsletter

## College Goal Sunday Set for February

by Susan Hopkins

The Kentucky Association of Student Financial Aid Administrators (KASFAA), in cooperation with KHEAA and USA Group, Inc., is sponsoring College Goal Sunday to provide free, professional help to families filling out the Free Application for Federal Student Aid (FAFSA).

On February 18, 2001, financial aid professionals from Kentucky colleges and universities will be available at 13 sites in 11 Kentucky cities to help students and their families complete the FAFSA, the form required to apply for scholarships, grants, loans, and other forms of student financial assistance. Submission of the FAFSA may qualify students for thousands of dollars in financial aid to help pay for college or technical school.

Families attending College Goal Sunday need to bring their completed 2000 IRS 1040 tax return and any other 2000 income and benefits information. If families have not yet completed their taxes, financial aid professionals

will help them fill out the rest of the FAFSA and give instructions for the financial portion.

Below are the sites for College Goal Sunday. All sessions are scheduled to begin at 2 p.m. and end at 4 p.m. For more information, call toll-free (888) 4-KASFAA ([888] 452-7322).

City	Site
Ashland	American Electric Power Auditorium
Bowling Green	Western Kentucky University
Campbellsville	Campbellsville University
Corbin	Eastern Kentucky University Extension Center
Hazard	Hazard Community College
Hopkinsville	Hopkinsville Community College
Lexington	Paul Laurence Dunbar High School Northside YMCA
Louisville	Gheens Center St. Stephens Baptist Church Family Life Center
Owensboro	Owensboro Community College
Paducah	Jackson Purchase Energy Auditorium
Pikeville	Pikeville College

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### Inserts:

- *Common Manual Updates*  
References #286, 457, 458, 459, 460, 462, 463, 464, 465, 466, 467, 468, 469, 470, 472, 473, 474, 475, 476.

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## New Minority Outreach Coordinator Joins KHEAA Staff

by Susan Hopkins

KHEAA is pleased to announce the addition of Geri Johnson to its outreach staff. Geri is responsible for the administration of KHEAA's Hope, Opportunity, and Progress through Education (HOPE) program, designed to improve awareness of higher education opportunities among minorities and other students.



Geri has recently relocated from Calloway County, where she received a B.S. in business and a master's in education from Murray State University. While in Murray, Geri spent eight years as an instructor at Murray High School, where she taught English and business classes and

directed the JTPA (job-training) program. Most recently, Geri served the Calloway County Board of Education as coordinator of the Calloway County High School Youth Services Center (YSC). During her four years in this position, Geri coordinated community resources and helped secure part-time jobs for students, recruited and mobilized community volunteers, and promoted YSC programs throughout the community.

She will travel extensively throughout Kentucky, providing student financial aid assistance and college planning information to African-American and other students by representing KHEAA and making presentations regarding KHEAA programs and services at workshops, college nights, and college and career fairs.

If you know of someone interested in having KHEAA's minority outreach coordinator attend a college fair or present information about student financial aid, contact Geri Johnson at (502) 696-7448, fax (502) 696-7373, or e-mail [gjohnson@kheaa.com](mailto:gjohnson@kheaa.com).

## Early Childhood Development Scholarship

by Jo Carole Ellis

Over 380 students received more than \$148,000 in scholarships for the spring 2001 academic period from the Early Childhood Development Scholarship (ECDS)—a new state-funded scholarship program. The ECDS is administered by KHEAA in consultation with the Early Childhood Development Authority and the Cabinet for Families and Children.

The purpose of the scholarship is to provide a seamless system of upgrading the professional development of persons who are employed or provide training in child-care or early childhood settings.

To the extent funds are available, scholarships are awarded to Kentucky students who are pursuing one of the following credentials:

- A child development associate certificate.
- An associate of arts, associate of applied science, or bachelor of science in interdisciplinary early childhood education, early childhood special education, early childhood development, or a related degree that is approved by the Early Childhood Development Authority.
- A Kentucky early childhood development trainer's certificate.
- A Kentucky early childhood development director's certificate.

Recipients must be employed at least 20 hours weekly in a participating early childhood facility and must not have access to professional development funds from other education programs that receive federal or state funds.

The scholarship award is an amount that is the lesser of (1) the tuition actually charged by the institution or (2) the highest tuition charged by a Kentucky public college or university. The maximum annual award is \$1,400. Recipients must be enrolled in no more than nine hours at a participating eligible institution and must agree to a service commitment based on the credential pursued. Recipients may also receive assistance for books and other educational expenses as well as a monetary award for completing their program of study.

For an application or more information regarding the ECDS, applicants should contact the professional development counselor in their regional Child Care Resource and Referral Agency.

## ***KHEAA 2000 Annual Report***

by Lori Powers

The *KHEAA 2000 Annual Report* is now available on KHEAA's Web site [www.kheaa.com](http://www.kheaa.com). The report contains detailed information about KHEAA operations, programs, and services over the previous year and summary information about KHEAA since its establishment in 1966. We hope you will take a few minutes to read this report to see how students are benefiting from the special partnerships that exist between KHEAA and financial aid officers, lenders, and school counselors.

## ***Common Manual Updates***

by David Rayborn

Enclosed as inserts to this edition of the *KHEAA Newsletter* are several *Common Manual* policy updates. These bulletins include reference numbers 286, 457, 458, 459, 460, 462, 463, 464, 465, 466, 467, 468, 469, 470, 472, 473, 474, 475, and 476.

If you have questions regarding these updates or need additional copies, call the Policy and Client Services Branch at (502) 696-7274 or (800) 928-8926, extension 7274.

## ***Guide for Adults Returning To School***

by Susan Hopkins

Adults interested in returning to school have an online guide to help them plan and pay for college or technical training. The 2000–2001 edition of *Adults Returning to School* can be accessed at [www.kheaa.com](http://www.kheaa.com), the KHEAA Web site. Adults who do not have access to the Internet at home are encouraged to check with a public library, many of which offer Internet access.

*Adults Returning to School* is an excellent source of information about schools offering postsecondary education and training. It contains up-to-date facts on admissions, costs, financial aid, and academic programs at Kentucky four-year colleges and universities, two-year colleges, theological seminaries, and trade schools. It also provides information of particular interest to adult students such as names of nontraditional student advisors; campus day care; evening and weekend classes; shorter courses; credit for military courses and work experience; and, for those who need to complete their GED, contacts for review classes and testing centers.

## Special Allowance Rates

for the quarter ending December 31, 2000

The average of the bond equivalent rates of the 91-day Treasury Bills auctioned during the quarter ending December 31, 2000, is 6.23 percent. Loans from the following categories are eligible for special allowance as shown for the quarter ending December 31, 2000.

For loans made prior to 10/1/81.

<b>Applicable Annual Interest Rate</b>	<b>Special Allowance at Annual Rate</b>	<b>Special Allowance for 3-Month Period</b>
7%	.0275	.006875
9%	.0075	.001875

- For:
- Federal Stafford Loans (subsidized) and fixed-rate Federal PLUS Loans made on or after 10/1/81 but prior to 10/17/86.
  - Federal Stafford Loans (subsidized) and fixed-rate Federal PLUS Loans made on or after 10/17/86 but prior to 11/16/86 for periods of enrollment beginning prior to 11/16/86.
  - Federal Consolidation Loans made on or after 10/1/81 but prior to 11/16/86.

<b>Applicable Annual Interest Rate</b>	<b>Special Allowance at Annual Rate</b>	<b>Special Allowance for 3-Month Period</b>
7%	.0273	.006825
8%	.0173	.004325
9%	.0073	.001825
12%	.0000	.000000
14%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) and fixed-rate Federal PLUS/SLS Loans made on or after 10/17/86 but prior to 11/16/86 for periods of enrollment beginning on or after 11/16/86.
  - Federal Stafford Loans (subsidized) made on or after 11/16/86 but prior to 10/1/92.
  - Federal Stafford Loans (unsubsidized, made pursuant to §428H of the Act) made prior to 10/1/92 for periods of enrollment beginning on or after 10/1/92.
  - Fixed-rate Federal PLUS/SLS Loans made on or after 11/16/86 but prior to 7/1/87.
  - Variable-rate Federal PLUS/SLS Loans made on or after 7/1/87 but prior to 10/1/92, *only* if the variable rate for each July 1–June 30 period reaches the statutory maximum of 12%.
  - Federal Consolidation Loans made on or after 11/16/86 but prior to 10/1/92.

<b>Applicable Annual Interest Rate</b>	<b>Special Allowance at Annual Rate</b>	<b>Special Allowance for 3-Month Period</b>
7.00%	.0248	.006200
8.00%	.0148	.003700
8.99%	.0049	.001225
9.00%	.0048	.001200
9.14%	.0034	.000850
10.00%	.0000	.000000
11.00%	.0000	.000000
12.00%	.0000	.000000
13.00%	.0000	.000000
14.00%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) made on or after 10/1/92 but prior to 7/1/95.
  - Federal Stafford Loans (unsubsidized) made on or after 10/1/92 but prior to 7/1/95 for periods of enrollment beginning on or after 10/1/92.
  - Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/95 but prior to 7/1/98, *except* during the in-school, grace, and deferment periods.
  - Variable-rate Federal PLUS/SLS Loans made on or after 10/1/92 but prior to 7/1/94, *only* if the variable rate for each July 1–June 30 period reaches the statutory maximum of 11% (SLS) or 10% (PLUS).
  - Variable-rate Federal PLUS Loans made on or after 7/1/94 but prior to 7/1/98.
  - Variable-rate Federal PLUS Loans made on or after 7/1/98 but prior to 1/1/00 (special allowance shall not be paid unless the calculated interest rate exceeds the 9% cap).
  - Federal Consolidation Loans made on or after 10/1/92 but prior to 10/1/98.

**Applicable Annual  
Interest Rate**

**Special Allowance  
at Annual Rate**

**Special Allowance  
for 3-Month Period**

6.00%	.0333	.008325
7.00%	.0233	.005825
8.00%	.0133	.003325
8.25%	.0108	.002700
8.99%	.0034	.000850
9.00%	.0033	.000825
10.00%	.0000	.000000
11.00%	.0000	.000000
12.00%	.0000	.000000
13.00%	.0000	.000000
14.00%	.0000	.000000

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/95 but prior to 7/1/98, *only* during the in-school, grace, and deferment periods.

**Applicable Annual  
Interest Rate**

**Special Allowance  
at Annual Rate**

**Special Allowance  
for 3-Month Period**

8.25%	.0048	.001200
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- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/98 but prior to 1/1/00, *only* during the in-school, grace, and deferment periods.

**Applicable Annual  
Interest Rate**

**Special Allowance  
at Annual Rate**

**Special Allowance  
for 3-Month Period**

7.59%	.0084	.002100
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- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/98 but prior to 1/1/00, *except* during the in-school, grace, and deferment periods.

**Applicable Annual  
Interest Rate**

**Special Allowance  
at Annual Rate**

**Special Allowance  
for 3-Month Period**

8.19%	.0084	.002100
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For: Federal Consolidation Loans made on or after 10/1/98 but prior to 1/1/00.

**Formula:** 6.23% plus (3.1%) less (applicable interest rate) = special allowance rate.

**Note:** The interest rate for these Consolidation Loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8th of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.

The average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter ending December 31, 2000, is 6.67 percent. Loans from the following categories are eligible for special allowance as shown for the quarter ending December 31, 2000.

For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 1/1/00 but prior to 7/1/03, *only* during the in-school, grace, and deferment periods.

**Applicable Annual  
Interest Rate**

**Special Allowance  
at Annual Rate**

**Special Allowance  
for 3-Month Period**

7.59%

.0082

.002050

For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 1/1/00 but prior to 7/1/03, *except* during the in-school, grace, and deferment periods.

**Applicable Annual  
Interest Rate**

**Special Allowance  
at Annual Rate**

**Special Allowance  
for 3-Month Period**

8.19%

.0082

.002050

For: Federal PLUS Loans made on or after 1/1/00 but prior to 7/1/03 (special allowance shall not be paid unless the calculated interest rate exceeds the 9% cap).

**Note:** The current interest rate for PLUS Loans is 8.99%. Since this rate does not exceed the 9% cap, no special allowance will be paid during the period 7/1/00 through 6/30/01.

For: Federal Consolidation Loans for applications received on or after 1/1/00 but prior to 7/1/03.

**Formula:** 6.67% plus (2.64%) less (applicable interest rate) = annual special allowance rate.

**Note:** The interest rate for these Consolidation Loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8th of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.





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*The KHEAA Newsletter is published once each quarter and as needed to provide information about changes in federal and state laws and regulations, upcoming events, special allowance rates, and other items of interest. Comments and suggestions about this publication are welcomed and appreciated. Please send them to the above address and to the attention of the Division of Student and Administrative Services.*